

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

**SUBJECT: GRANT AGREEMENT WITH
CHILDREN'S DISCOVERY
MUSEUM OF SAN JOSÉ**

DATE: May 20, 2004

RECOMMENDATION

The City Council and Agency Board:

- (a) Adopt a resolution making certain determinations required by Redevelopment Law regarding the expenditures of Redevelopment Agency funds on City public improvements;
- (b) Authorize the Executive Director to negotiate and execute a Grant Agreement with the Children's Discovery Museum of San José, in a total amount not to exceed \$617,010, for the purpose of design and construction of facility enhancements; and
- (c) Approval by the Agency Board of assignment of the Operation and Management Agreement between the Agency and Children's Discovery Museum to the City.

BACKGROUND

The Redevelopment Agency and the City of San José have coordinated efforts for Agency funding of facility enhancements at the Children's Discovery Museum (CDM). On March 30, 2004, the City and Redevelopment Agency executed a Project Services Memorandum (PSM#335) under which the Redevelopment Agency provided \$617,010 to the City for these public improvements and the City Council appropriated the Agency's funds for the Children's Discovery Enhancements. The enhancements include design and construction of upgrades to the security access systems (i.e. cameras, locks, and/or lighting with restricted entry/exit features), other exterior improvements (i.e. reconstruction of walkways and fountain), and modifications to the outdoor public areas to improve and increase access for the public to the Museum and Discovery Meadow. The Agreement requires that CDM manage the design, bid and construction of the project, and coordinate these activities with the Redevelopment Agency's project management staff. The City's Conventions, Arts and Entertainment Department will administer all aspects of the Grant Agreement.

ANALYSIS

The enhancements to the CDM will assist in protecting the Museum building and will improve access and use of existing features. The CDM has also solicited and received outside funding to provide additional improvements to the museum, in particular amphitheatre improvements using a \$1,000,000 State grant and an additional donation from Cadence Design of \$500,000. These additional improvements have almost been completed and will provide a higher quality outdoor amphitheater area for visitors that includes better access, lighting and other amenities.

The Grant Agreement sets forth the terms and conditions of the Redevelopment Agency's grant to CDM, including limitations on the payment and use of grant funds, insurance requirements, provision of payment and performance bonds, requirements for approval of construction documents, compliance with Agency bidding and procurement requirements, and compliance with the prevailing wage laws. The Children's Discovery Museum is required to submit construction documents to the Building Division of the San José Department of Planning, Building and Code Enforcement and to obtain all appropriate building permits and pay applicable fees. At the time of completion, either the Department of Public Works or the Building Division will accept the improvements on behalf of the City.

In addition, the Agency Board and City Council need to approve the assignment of the operation agreement between the Agency Board and the Children's Discovery Museum to the City.

PUBLIC IMPROVEMENT DETERMINATIONS:

California Redevelopment Law requires that the City Council make certain determinations in conjunction with approval of the Agency funding of public improvements. The City Council must determine that:

- *The public improvements will be of benefit to the Guadalupe Auzerais Redevelopment Project Area or the immediate neighborhood in which the project is located.*

The public improvements will benefit the Project Area's immediate neighborhood by providing a substantial physical improvement to the existing facility, which will improve public access to the facility and nearby Discovery Meadow, thereby keeping the facility vital and active.

- *There are no other reasonable means of funding the public improvements.*

There are no City funds budgeted or available for this project,

- *The public improvements will assist in the elimination of one or more blighting conditions in the Project Area.*

A formal determination that blight exists in the project area was made by the City Council prior to establishment of the Guadalupe Auzeais Project Area. The Museum and Discovery Meadow have served as a focal point of activity and cultural enrichment for those in the Project Area. These improvements will keep the facility vital and active by encouraging and facilitating public access.

- *The public improvements are consistent with the Implementation Plan for the Project Area.*

The Guadalupe Auzeais Redevelopment Project Area Plan provides for, among other things, the construction of public facilities, parks and recreational improvements that support or enhance the adjacent neighborhood, residential, and river environments. The improvements to the Children's Discovery Museum will provide expanded recreational opportunities for area residents and enhance this area as a regional destination.

PUBLIC OUTREACH

This recommendation has been coordinated with representatives of the Children's Discovery Museum of San José.

COORDINATION

This report has been coordinated with the Departments of Convention, Arts and Entertainment; and Planning, Building and Code Enforcement; and the Agency's General Counsel.

BUDGET REFERENCE

Fund #	Appn #	Appn Name	RC#	Total Appn	Amt for Contract	2003-2004 Adopted Budget Page	Last Budget Action
450	4225	Children's Discovery Museum Enhancements	118193	\$633,410	<u>\$617,010</u>	Page	Ord 27104, 3/30/04

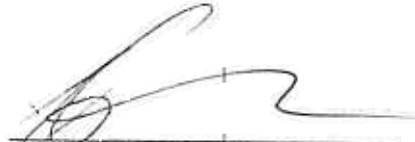
HONORABLE MAYOR AND CITY COUNCIL
5/20/04
CDM Grant Agreement
Page 4

CEQA

Exempt, File No. PP04-05-182



DEL D. BORGS DORF
City Manager



HARRY S. MAVROGENES
Interim Executive Director

|